

## Assembly Bill No. 2075

### CHAPTER 815

An act to amend Section 30177 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 24, 1998. Filed  
with Secretary of State September 25, 1998.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2075, Granlund. Taxes: cigarette and tobacco products.

The Tobacco Tax and Health Protection Act of 1988 (Proposition 99), which was adopted by the voters at the general election held on November 8, 1988, imposed a tax on the distribution of cigarettes in addition to the tax imposed pursuant to the Cigarette Tax Law as of the effective date of the adoption of Proposition 99, and imposed a tax on the distribution of certain tobacco products pursuant to a specified formula.

Existing law revised provisions of the Cigarette Tax Law to conform to the adoption of the Tobacco Tax and Health Protection Act of 1988 (Proposition 99), by renaming that law the Cigarette and Tobacco Products Tax Law and by providing that reporting and tax collection requirements applicable to distributors of cigarettes shall also apply to distributors of tobacco products.

This bill would require the State Board of Equalization to provide the same refunds or credits to distributors of tobacco products for tax paid on tobacco products that have become unfit for use, unsalable, or have been destroyed, as are given to distributors of cigarettes.

The Tobacco Tax and Health Protection Act of 1988, an initiative measure, requires that amendments to the act must be consistent with the act's purposes, and requires a  $\frac{4}{5}$  vote of both houses of the Legislature.

This bill, which would declare that it is consistent with the purposes of the act, would therefore require a  $\frac{4}{5}$  vote.

The bill would take effect immediately as a tax levy.

*The people of the State of California do enact as follows:*

SECTION 1. Section 30177 of the Revenue and Taxation Code is amended to read:

30177. The board shall, pursuant to regulations prescribed by it, refund or credit to a distributor the denominated values, less the discount given on their purchase, of stamps or meter impressions affixed to packages of cigarettes, and the tax imposed on tobacco products that has been paid on the distribution of tobacco products,

which have prior to distribution become unfit for use, unsalable or have been destroyed, or which after distribution have become unfit for use or unsalable and have been returned for credit or have been replaced, and the board has proof of that return or destruction.

SEC. 2. The Legislature finds and declares that the amendment to Section 30177 of the Revenue and Taxation Code, proposed by this act, is consistent with the purposes expressed in Article 2 (commencing with Section 30121) of Chapter 2 of Part 13 of Division 2 of the Revenue and Taxation Code, as contained within the Tobacco Tax and Health Protection Act of 1988 (Proposition 99).

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

